

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7079**

**BILL NUMBER:** HB 1156

**DATE PREPARED:** Dec 31, 2000

**BILL AMENDED:**

**SUBJECT:** Motor Vehicle Dealers.

**FISCAL ANALYST:** James Sperlik

**PHONE NUMBER:** 232-9866

**FUNDS AFFECTED:**      **GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** No Fiscal Impact

**Summary of Legislation:** This bill provides that, under certain circumstances, it is an unfair practice (for which a dealer's or manufacturer's license may be denied, suspended, or revoked) for a manufacturer or distributor to establish a dealership that would compete with a new vehicle dealer within the dealer's relevant market area. The bill defines "relevant market area". The bill also provides that it is an unfair practice for a motor vehicle manufacturer or dealer to establish or acquire wholly or partially a franchiser-owned outlet engaged in a business substantially identical to that of a franchisee within the exclusive territory granted the franchisee by the franchise agreement, even if the franchiser-owned outlet is engaged in the business only partially. The bill also amends the law on the succession to a motor vehicle dealership franchise by designated family members to make the law applicable to a situation in which the successor designated by the franchisee is the spouse of a child or grandchild of the franchisee.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:**